

# Arkansas Insurance Department

Mike Beebe  
Governor



Julie Benafield Bowman  
Commissioner

## **NEWS RELEASE**

### **FOR IMMEDIATE RELEASE**

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## **Cabot School Fire Settlement Commended**

LITTLE ROCK, ARKANSAS (February 19, 2007) —State Insurance Commissioner Julie Benafield Bowman today commended the Cabot School District and Great American Insurance Company in reaching a final settlement of the School District's claim for losses to the Cabot Junior High School building and its contents, resulting from a fire in August of 2006.

As a result of the settlement, the School District will receive \$10 million for the building and approximately \$2.1 million on the contents claim. Great American had previously advanced \$7.3 million to the School District for the building claim and \$1 million on the contents claim in the course of adjusting the claims.

Great American had acknowledged liability under the insurance policy issued to the School District since the fire first occurred. However, during the course of adjusting the claim, issues arose between the School District and Great American as to applicable coverages and the appropriate measurement of damages covered by the policy. Commissioner Bowman and her staff worked diligently to facilitate the settlement of this complex claim so that the rebuilding of the school can begin and the students can return to a permanent facility at the earliest possible time.

Commissioner Bowman commended Great American and Cabot Public School Superintendent Frank Holman for their cooperation with her Department in the investigation and

(MORE)

**NEWS RELEASE: Cabot School Fire Settlement**

**February 16, 2007**

**Page 2**

resolution of this claim. Bowman said, “Although there have been some questions, Great American acted reasonably and promptly throughout the claims adjustment process, and in full compliance with the terms and conditions of the insurance policy issued to the School District and all applicable insurance laws and regulations.” Bowman went on to say, “I want to thank all the parties for keeping their focus on the true victims of this unfortunate tragedy—the schoolchildren.”

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